

REMARKS UPON INVESTMENTS

59

generate the speculative habit which finds its issue ultimately in loss.

Of all the abject aberrations of conduct—especially in financial affairs—the determination of a choice on the suggestion of what are vulgarly called "tips" is almost the most pitiable. Transferred from the domain of horse-racing, they usually terminate in similar catastrophes. But the influence of this tendency, when persisted, upon character and habit is infinitely more pernicious than the pecuniary loss, since the latter event may, in some instances, leave a permanent impress in the form of a decisive caution. This course conduces to disastrous confirmation of the immoral practice of gambling, too seriously ingrained already in the present generation; it abrogates all sobriety of thought, all wisdom of action, all patient and educative custom of deliberation, all the mental alertness which inquires; the character degenerates from steadfastness and forfeits its purity; the habit of recklessness becomes dominant. Vulgar and unreasoning eagerness for cheaply acquired material gains cancels the cultivation of any higher qualities of mind and spirit; and the man who might have emerged, by the personal discipline of studied events and intelligent activity, into a finer manhood lapses to the ignoble condition of an unthinking parasite.

A concluding remark may be submitted upon the frequent suggestion of what is termed "levelling" or "averaging" investments. If, for example, 100 shares in a company have been purchased at the price of £1 10s. per share (or £150 in all), and a decline of one-third occurs, the value of the investment then stands at £100, or £1 per share. The investor is then often recommended to buy an additional 100 shares at the reduced price; if he adopt that course, the average cost of the aggregate holding would then be represented by

—OQA— or £1 5s. per share, instead of
XI. Trained all
my life in assurance business where the

fundamental conception is that of averages, I am not likely to disparage its application: indeed, in the suggestions respecting the distribution of the risks of securities I have emphatically enforced it; but my advice here to the ordinary investor is to refrain